London Offshore Consultants Inc.
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Houston, TX 77060
United States of America

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REPORT

"DSLL-540845 LASH BARGE"

OFFICIAL No. 540845

Valuation Survey

at Beaumont, Texas

10 June 2016

Date: 27 June 2016

Our Ref: Job No. LOCH/006472/LWA/R002

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1. INTRODUCTION & CONCLUSION

1.1 Instructions Received

1.1.1 On the 6th of June 2016, this office received instructions from Aline Smith, U.S. Maritime Administration, Division of Gulf Operations, to attend and conduct a Condition and Valuation Survey on the *"DSLL-540845 LASH BARGE."*

1.2 Attendance

1.2.1 On 10 June 2016, a survey was carried out at Beaumont, TX from the hours of 0830 to 1400.

1.3 Scope of Report

1.3.1 This report describes the unit in general terms and proceeds with detailed comment on the structural integrity and condition in those areas of the vessel accessible for inspection during our attendance. The report includes description and comment on the condition of the hull, hatch covers, paint, and deck fittings. The final section is a summary and conclusion, with an overall assessment and valuation of the unit.

2. GENERAL PARTICULARS

2.1 The Unit

2.1.1 Vessel description:

Item	Remarks
Name of vessel:	*"DSLL-540845"*
Type of vessel:	Lash Barge
Principal special equipment:	None
Flag / Port of registry:	USA / Norfolk, VA
Official No.:	540845
Year/place of construction:	1973 / Unknown
Year/place conversion:	N/A
Registered owners:	U.S. Maritime Administration
Operators:	U.S. Maritime Administration
Dimensions:	L: 61.5' B: 31.1' D: 10.6'
Gross Tonnage:	206

2.2 Unit Arrangement

2.2.1 The vessel is arranged from forward to aft with multiple fittings on the bow, tank hatch covers midships, and a replication of fittings on the stern. The barge consist of one (1) large hold accessible by three removable hatch covers. Bow fittings consist of angled tow connection bits port and starboard, bollard and cleat port and starboard, angled stationary tow connection points port and starboard, and hand operated cable winches port and starboard. The bow also has a manhole access to the internal hold, and a 4" stainless pipe with a cam-lock connection.

2.2.2 The hold of the vessel spans the entire length and is accessible by the manhole cover on the bow. Three removable hatches make up the deck of the barge and cover the hold. The hold was previously filled with a potable water bladder. The forward and aft hatch covers measure approximately 26'9" x 16'. The center hatch measures approximately 26'9" x 12'3".

2.2.3 The stern is fitted with the same deck fittings as the bow: angled tow connection bits port and starboard, bollard and cleat port and starboard, angled stationary tow connection points port and starboard, and hand operated cable winches port and

starboard. There is also a 4" stainless pipe connection located on the stern. A ladder that is in poor condition is fitted on the stern side shell extending from the waterline to the deck.

2.3 Unit Construction

2.3.1 The unit is constructed of welded steel.

2.4 Certification & Documentation

2.4.1 No certification was sighted.

2.4.2 No documentation was sighted.

2.4.3 A paint analysis report was received dated 21 Dec 2015.

3. CONDITION OF UNIT

3.1 External Shell plating

3.1.1 External shell plating appears intact throughout vessel with some coating breakdown noted. Coating appears to be around 70% intact. Side shell plating on all sides of the vessel is intact but seen warped around the framing. Set in appears to average ½" to 1" between each frame. Structural condition of the hatch covers appear to be satisfactory and covers do not exhibit any signs of damage. Coating breakdown is noted to be roughly 60%.

3.2 Main decks, Forecastle and Poop Decks

3.2.1 The main deck has what appears to be a patch installed at each corner covering up a 3" hole. Coating is broken down along the edge of the main deck and side shell roughly 50%. Multiple dents are noted in the side shell at the top in the main deck of between ½" to 3".

3.3 Ballast Tanks

3.3.1 The vessel consists of only one hold. This has reportedly been used as a potable water transportation barge with a soft bladder installed in the hold.

3.4 Deck Piping

3.4.1 Deck piping consists of two (2) stainless 4" pipes, one at the bow and one at the stern. Piping is in good condition and extends to the interior of the barge. Piping in the holds also appears to be in satisfactory condition however inspection was limited to the outside of the unit only.

3.5 Deck Machinery

3.5.1 Deck machinery consists of four (4) hand operated cable winches on the deck. These are in poor condition however during inspection they were able to turn by hand.

3.6 Thickness Measurement

3.6.1 No thickness reports were available.

4. CONCLUSIONS AND OPINIONS

4.1 Overall Assessment

4.1.1 Based on survey, documents and areas made available for inspection the *"DSLL-540845 LASH BARGE"* was found to be generally in satisfactory physical condition.

4.2 Recommendations / Repairs for Unit

4.2.1 The unit should have thickness measurements taken on the hull.

4.2.2 Watertight integrity should be determined and the plating and hull should be sandblasted and re-coated.

4.2.3 Sideshell indentations should be thoroughly inspected and repaired where necessary.

4.2.4 Ladder should be repaired to a safe condition.

4.3 Valuation of Unit

4.3.1 The value of the unit is estimated at $15,000.00 or as per salvage steel value in 'as is – where is' condition.

4.4 Methodology of Valuation

4.4.1 The Lash Barge appears to be in neglect and worn condition. With no knowledge of the interior condition and water tight integrity and with consistency of typical 43 year old vessel used as water storage and having rust and corrosion. The above valuation reflects the experience and historical knowledge in today's market environment, and the general knowledge of similar valuations reflected in today's operating environment, and these valuations may change based on data unknown to the undersigned at the time of this study.

4.5 Statement by the Author of this Report

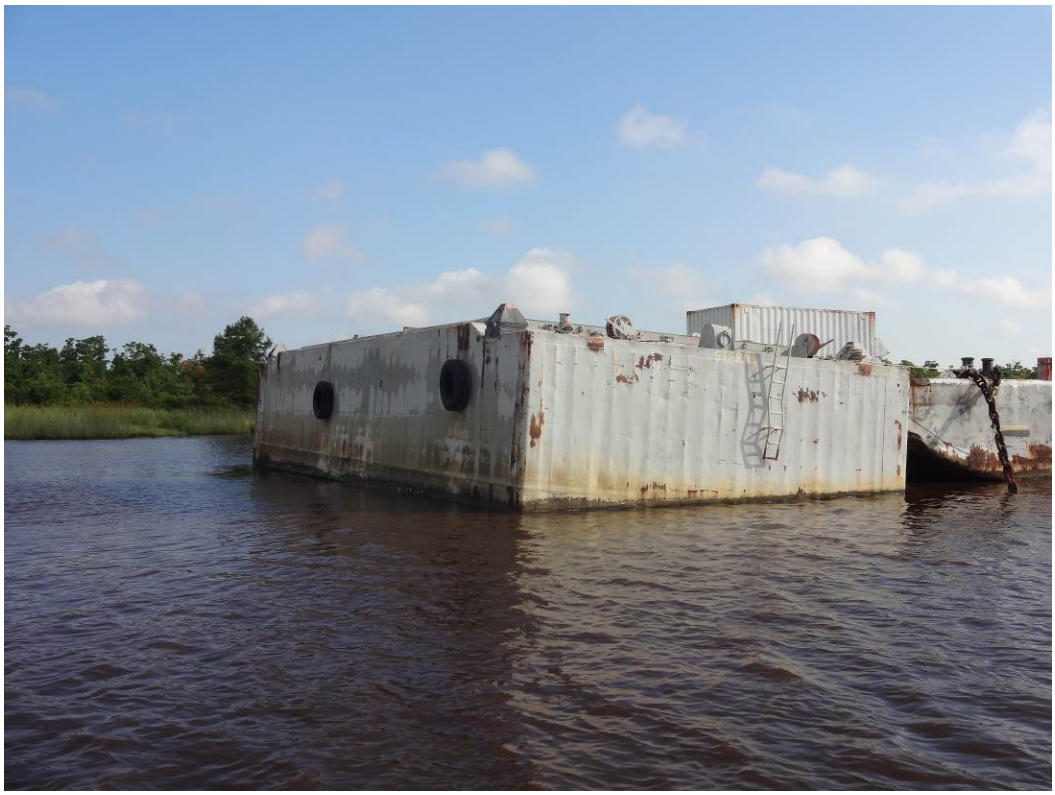
This report is based on surveys carried out, documentation submitted, and is prepared in good faith and without prejudice to any or all parties concerned.

For and on behalf of London Offshore Consultants, Inc.

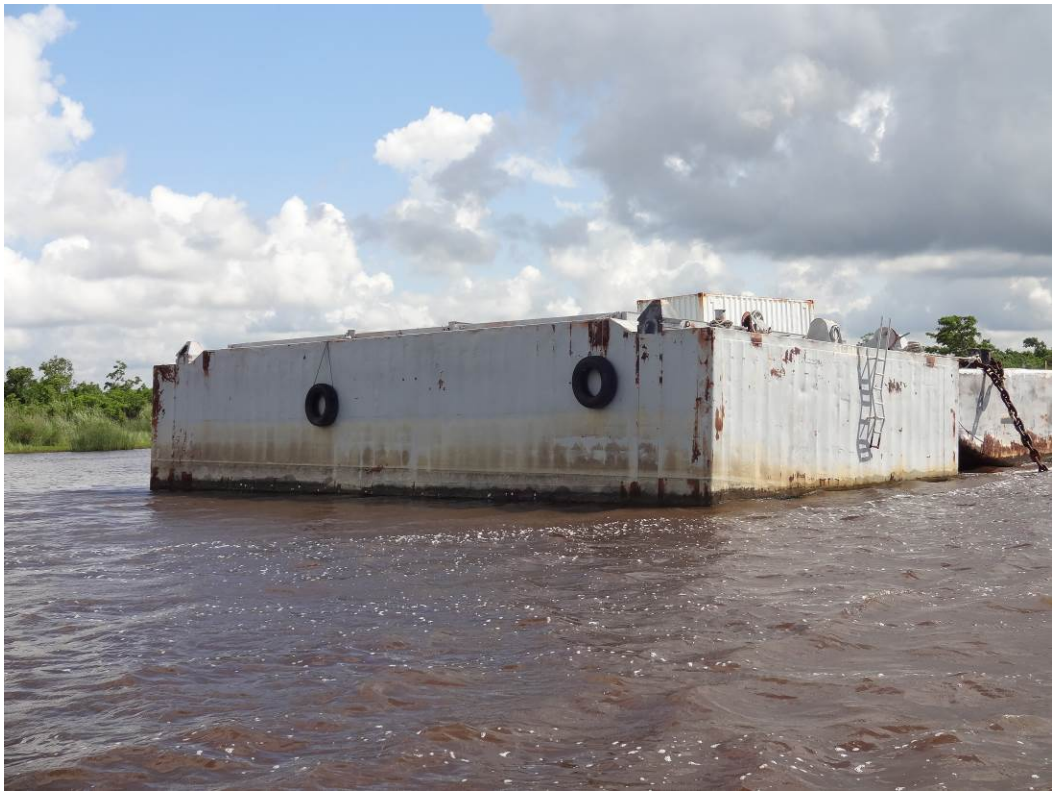
Attending Surveyor
Landon Applegate

APPENDIX A

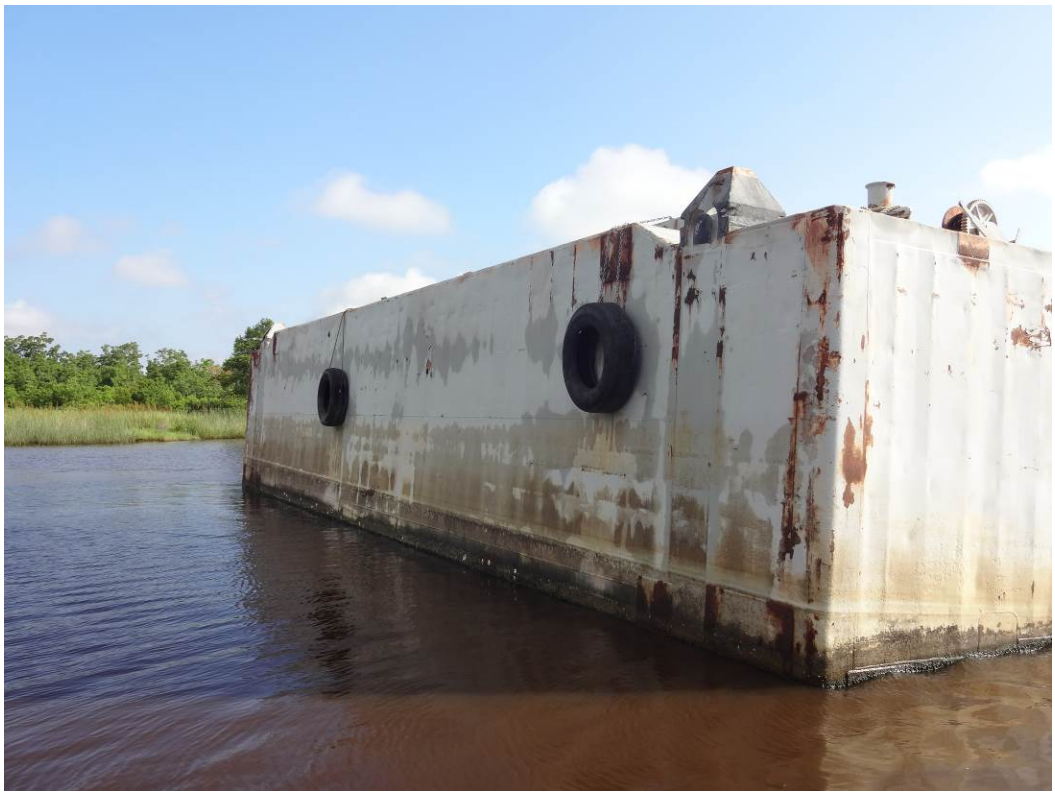
Photographs



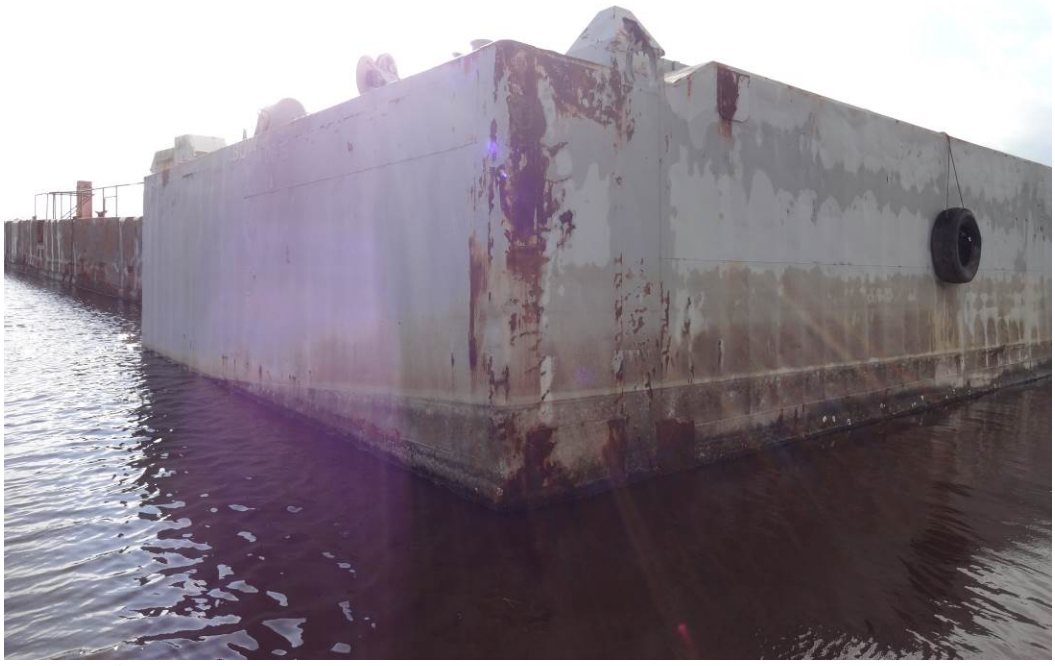
1. Stern



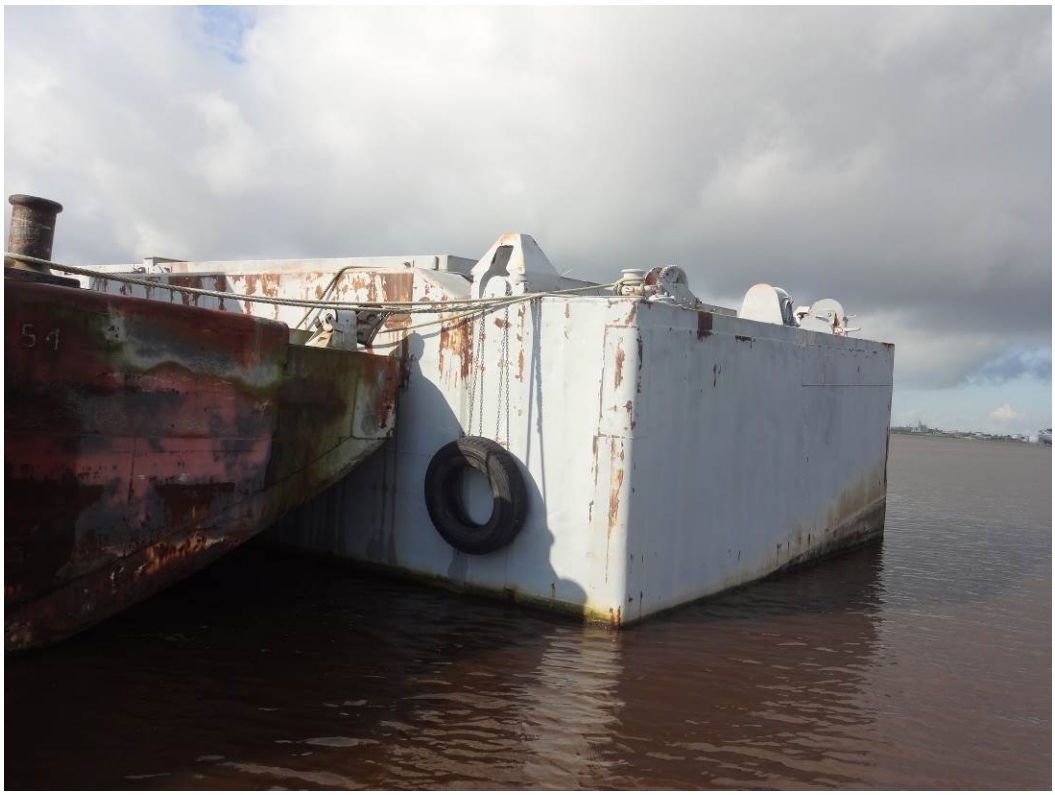
2. Port and Stern



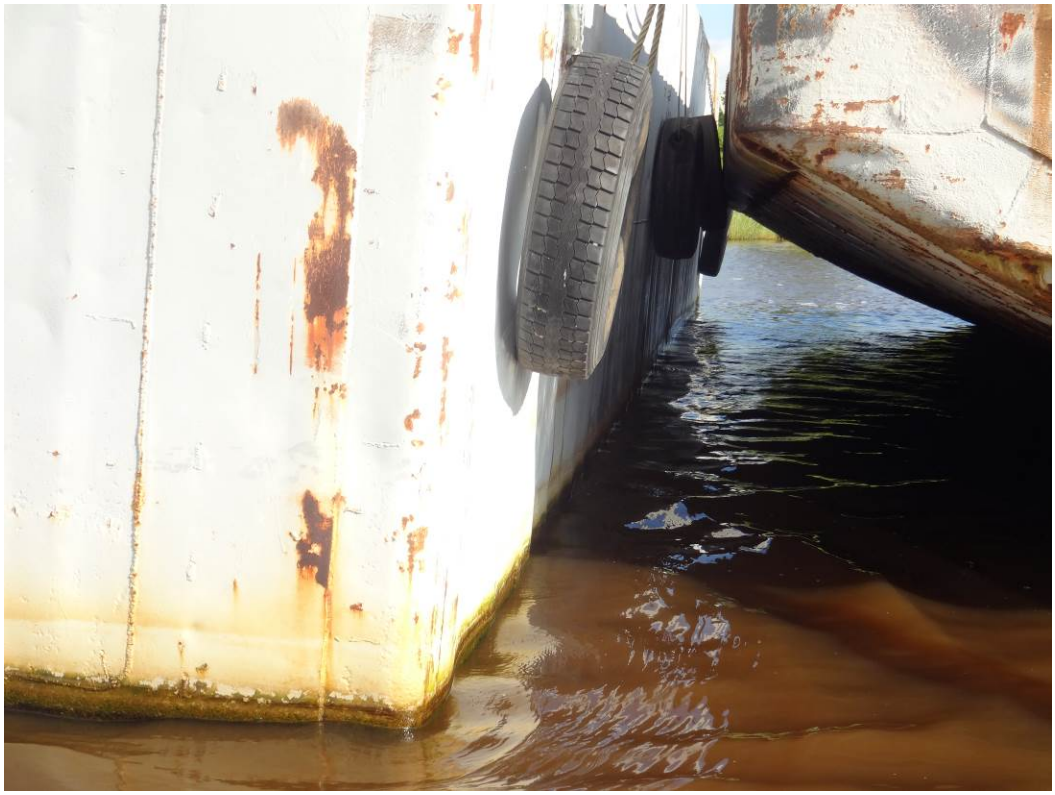
3. Portside



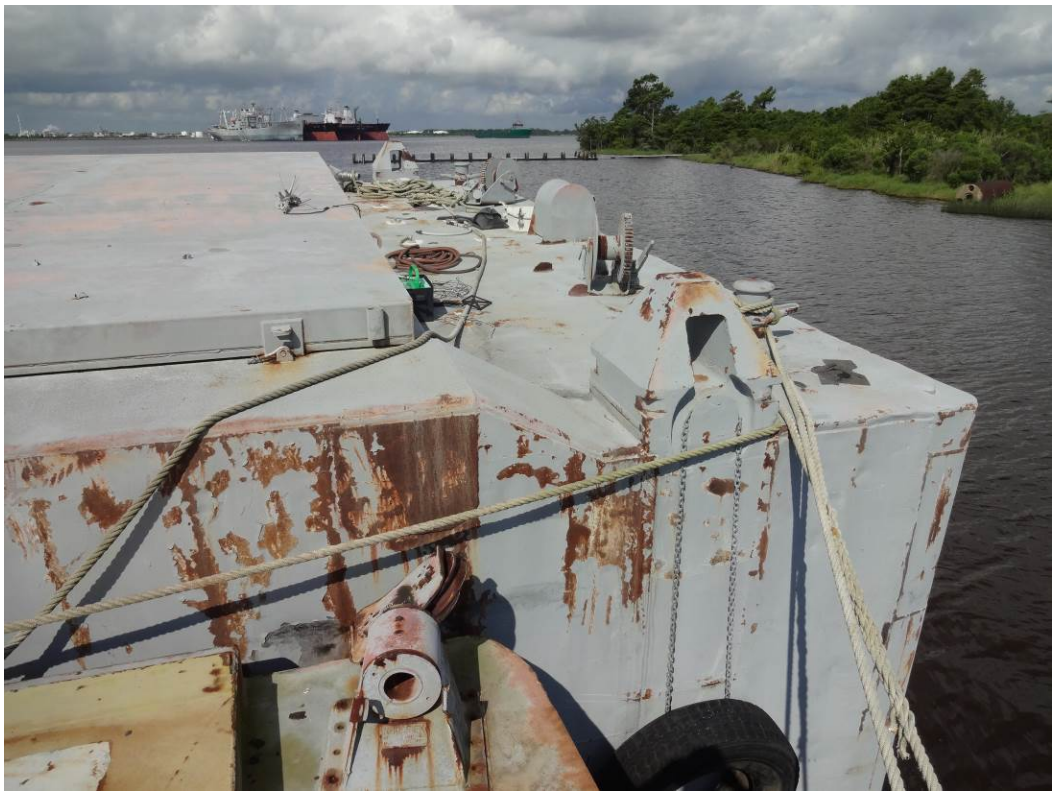
4. Bow / Port



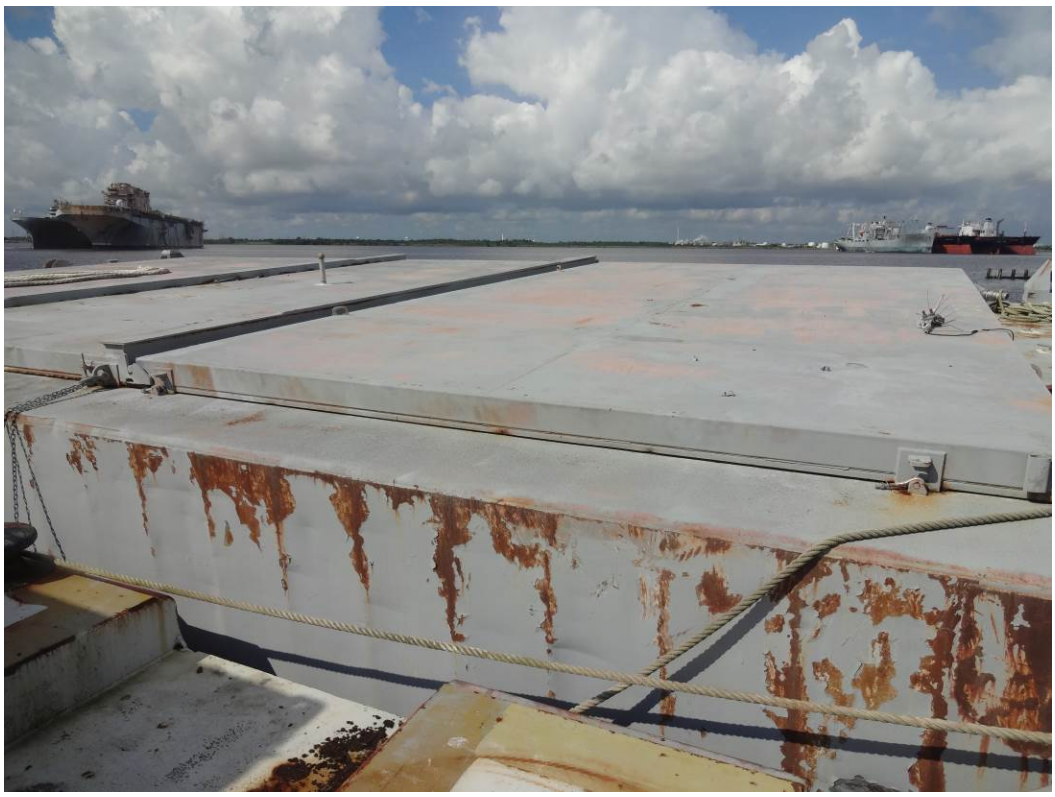
5. Bow / Starboard



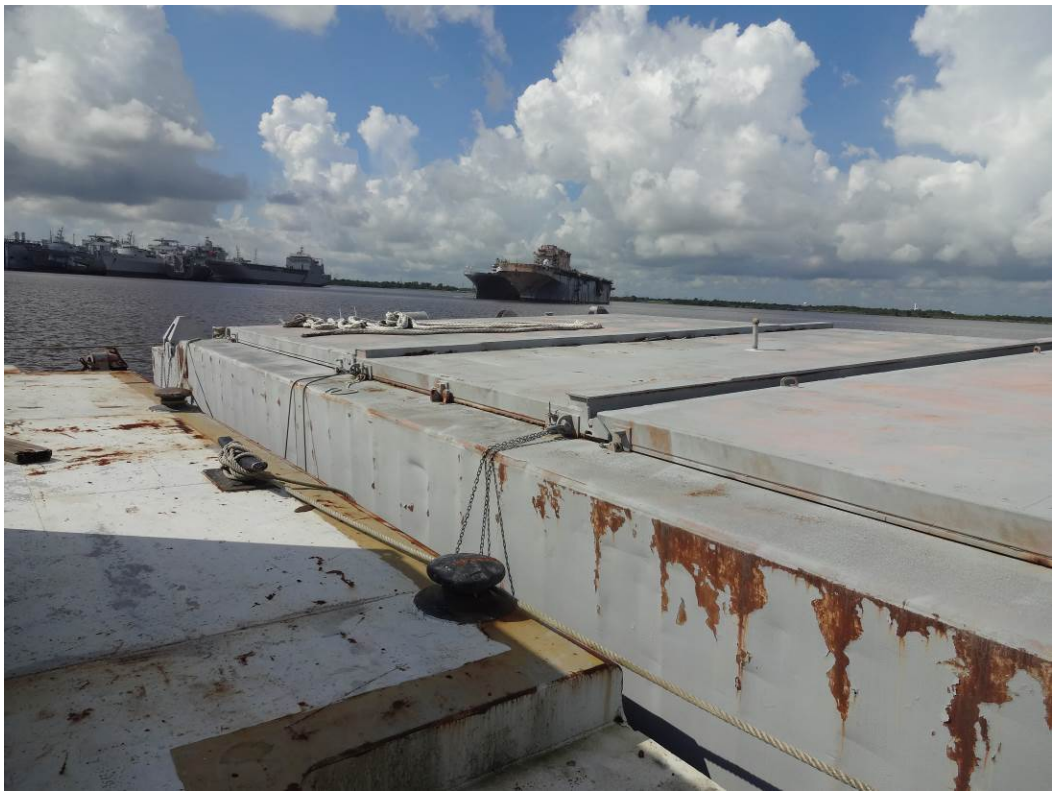
6. Starboard



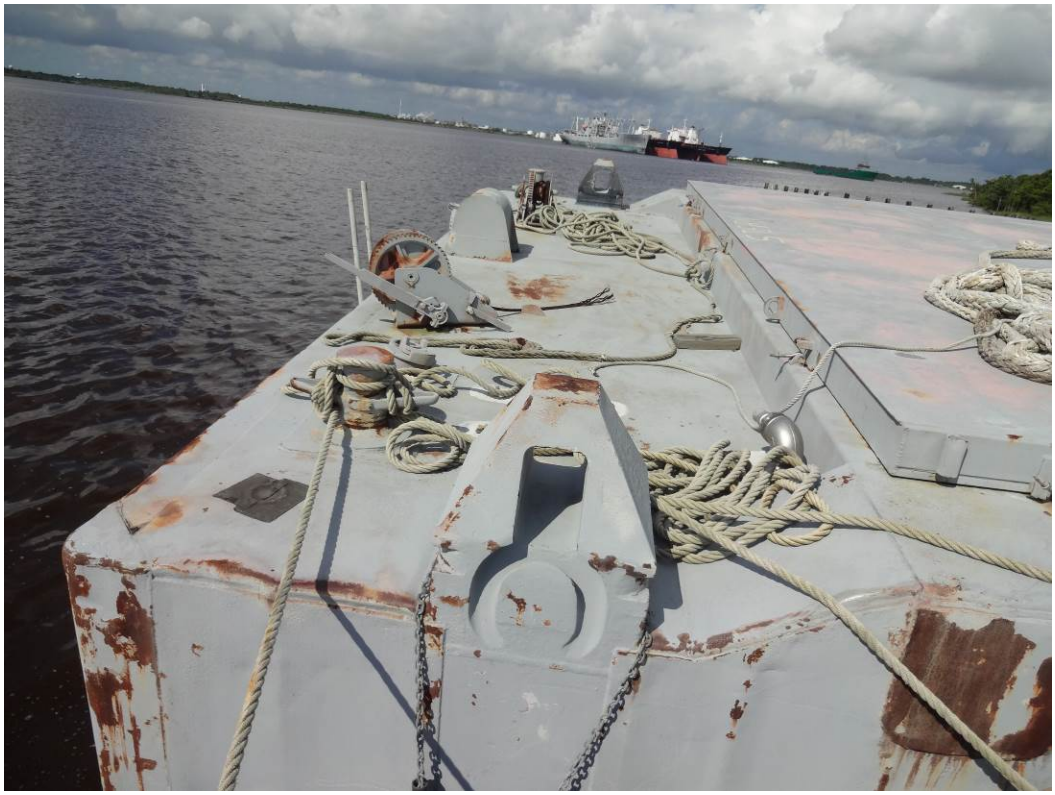
7. Bow



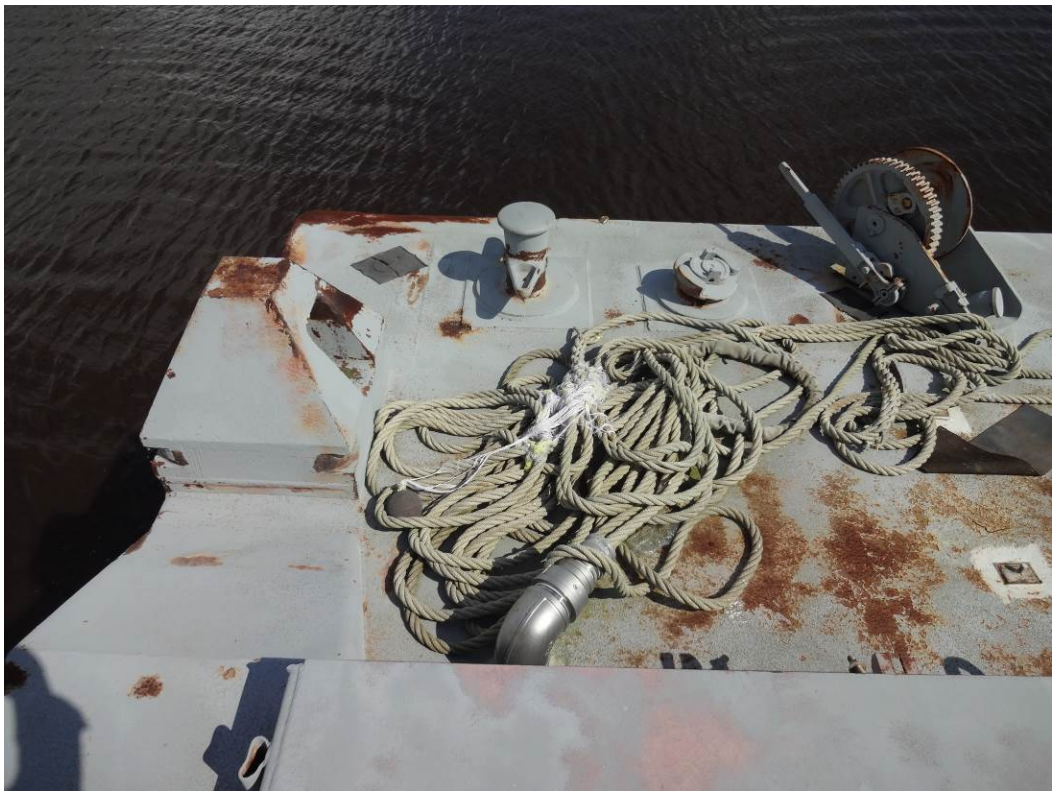
8. Tank Hatch Covers



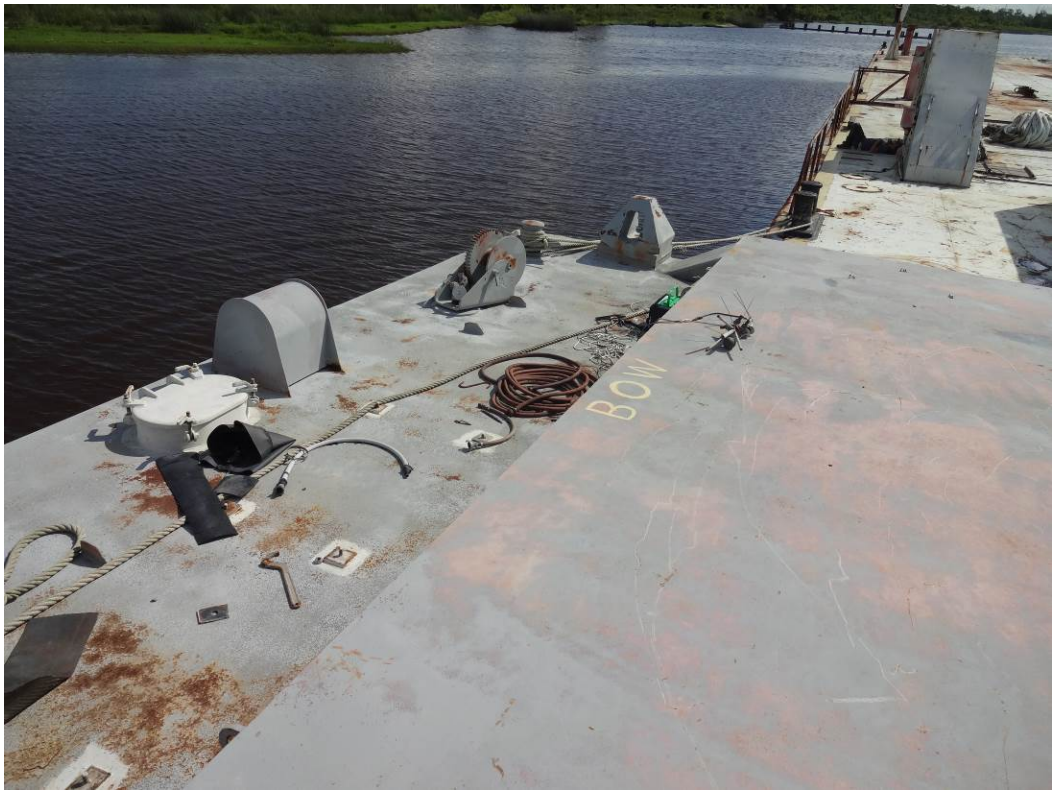
9. Hatch Covers / View Looking Aft



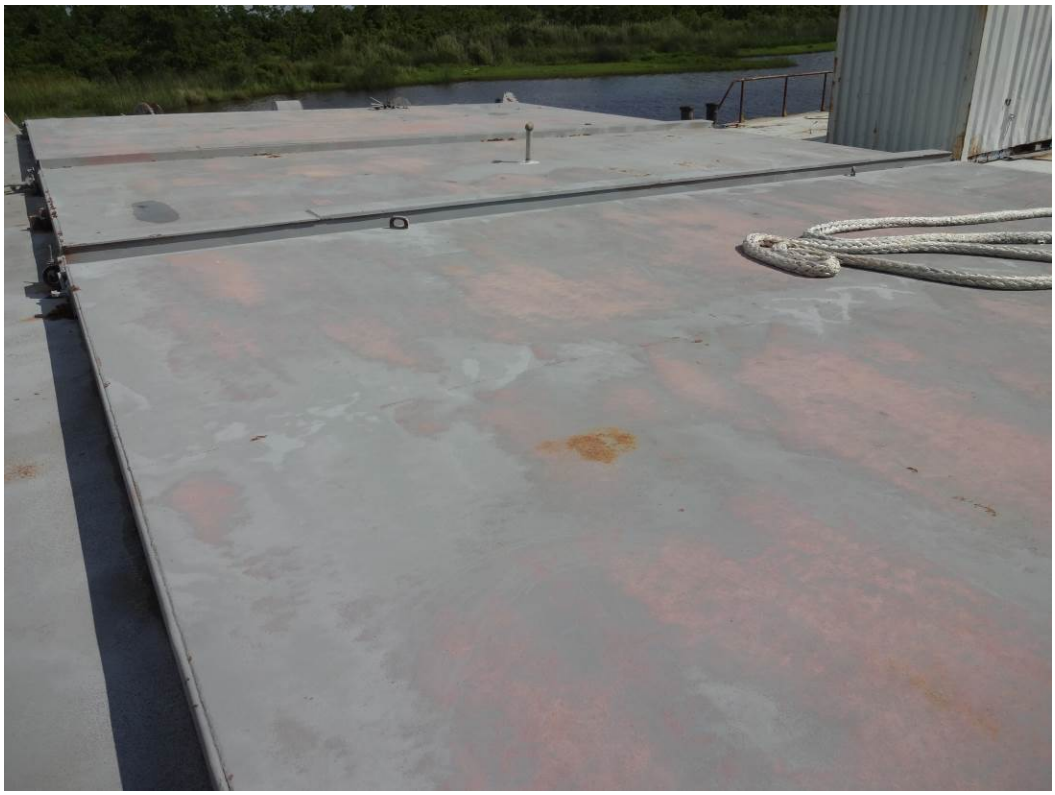
10. Stern Fittings



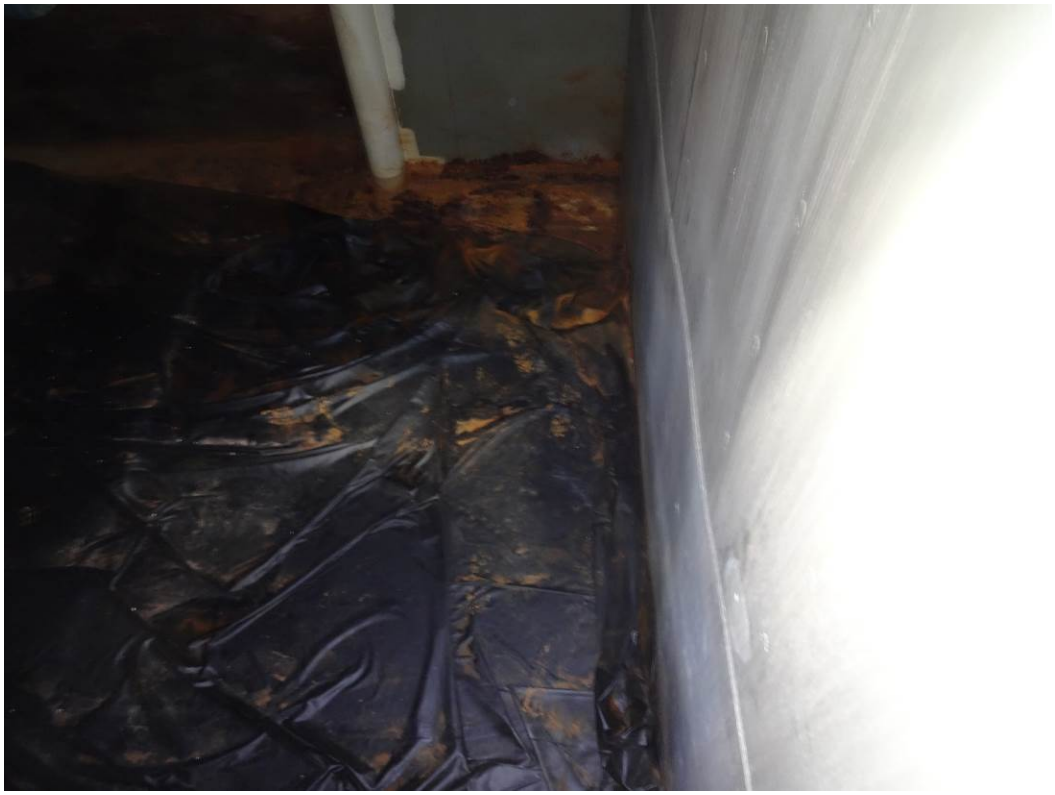
11. Bow



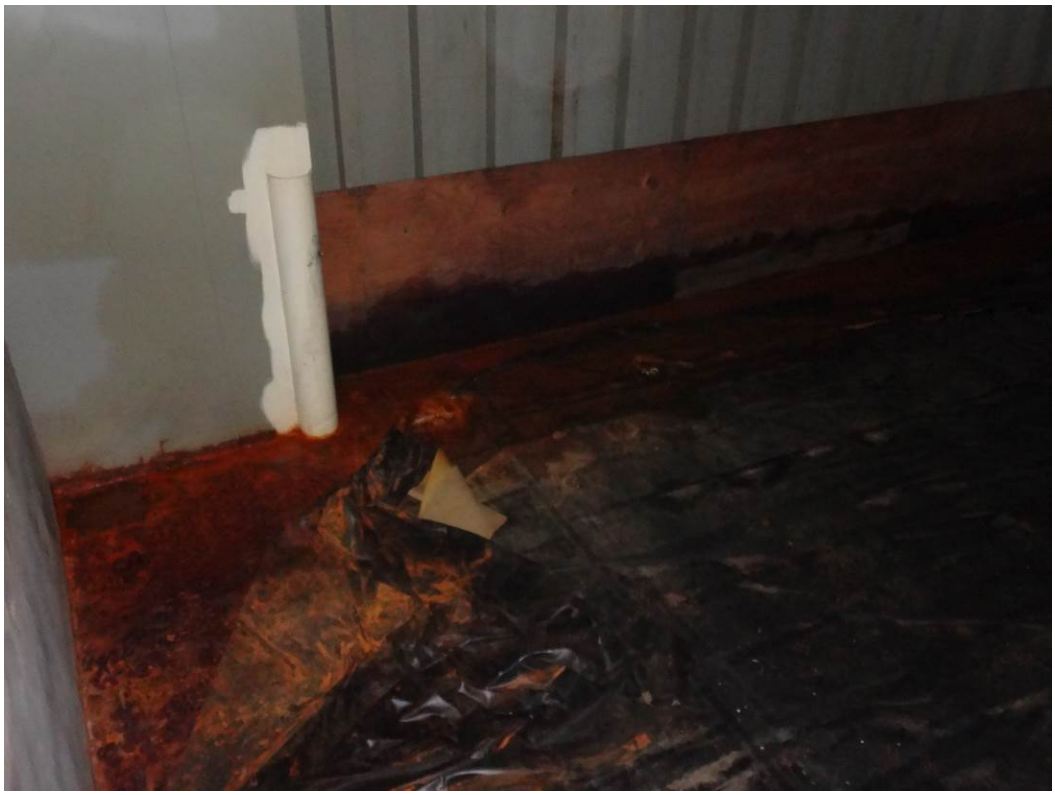
12. Bow



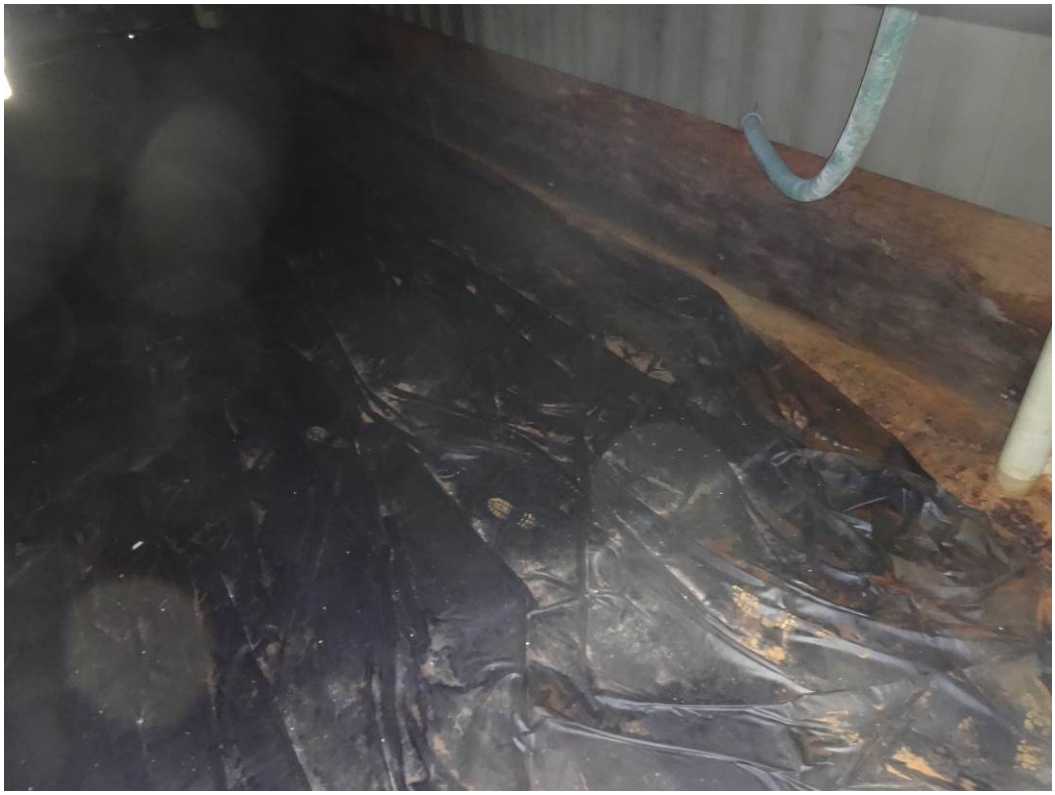
13. Hatch Covers / View Looking Fwd



14. Internal - Typical



15. Internal - Typical



16. Internal - Typical

APPENDIX B

Paint Analysis Report

CHEMTEX
Environmental & Industrial Hygiene Services

3082 25th Street, Port Arthur, Texas 77642 (409) 983-4575 FAX (409) 982-1522
5544 Leopard Street, Corpus Christi, Texas 78408 (361) 299-9900 FAX (361) 299-1155
138 S. Cities Service Hwy., Sulphur, Louisiana 70663 (337) 626-2121 FAX (337) 626-2126
401 N. 11th Street, La Porte, Texas 77571 (281) 867-9900 FAX (281) 867-1155

Client: Beaumont Reserve Fleet
2600 Amco Road
Beaumont, TX 77705

Attn: Mr. Michael Pattison
Phone: 722-3433; Fax: 720-5240
E-Mail: michael.pattison@dot.gov

Reporting Date: 12/21/15
Sample Matrix: Paint Chips
Date Collected: 12/11/15
Time Collected: N/A
Collected by: Client
Date Received: 12/11/15
Time Received: 1:25pm
CHEMTEX File #: P15120097

RESULTS OF ANALYSIS

CHEMTEX ID	Sample ID	Parameter	Units	Results	RL
P15120097	DSLL-540845	**Polychlorinated Biphenyls**			
		Aroclor 1016	mg/kg or ppm	<0.33	0.33
		Aroclor 1221	mg/kg or ppm	<0.33	0.33
		Aroclor 1232	mg/kg or ppm	<0.33	0.33
		Aroclor 1242	mg/kg or ppm	<0.33	0.33
		Aroclor 1248	mg/kg or ppm	<0.33	0.33
		Aroclor 1254	mg/kg or ppm	<0.33	0.33
		Aroclor 1260	mg/kg or ppm	<0.33	0.33
		Metals			
		Total Cadmium	mg/kg or ppm	27.00	2.5
		Total Chromium	mg/kg or ppm	5.16	2.5
		Total Copper	mg/kg or ppm	13.35	2.5
		Total Lead	mg/kg or ppm	282	2.5
		Total Nickel	mg/kg or ppm	4.17	2.5
		Total Zinc	mg/kg or ppm	98325	2.5

Parameter	Method Reference	Date Analyzed/Analyst
Polychlorinated Biphenyls(PCBs)	EPA 8082	12/16/15 AJ
Metals (Cd,Cr,Cu,Pb.Ni&Zn)	EPA 6010B	12/18/15 PSL

Dr. C. N. Reddy, Ph.D, CIH, ASP
Laboratory Director

amd/CNR

CHEMTEX

3082 25th Street, Port Arthur, TX 77642
Phone: (409) 983-4575, Fax: (409) 982-1522
E-mail: chemtexpa@sbcglobal.net

CHAIN OF CUSTODY RECORD
ENVIRONMENTAL

ANALYTICAL SERVICES REQUEST

CLIENT: Beaumont Reserve Fleet **ATTN: Mr. Michael Pattison**	**ADDRESS: 2600 Amco Road** **Beaumont, TX 77705**	**Phone #: 409-722-3433** **E-Mail: Michael.pattison@dot.gov**

BILLING CONTACT/ADDRESS: (If different from above)	**P. O. #:**	**PROJECT NO:**	**PROJECT:**	**SITE/LOCATION:**

SAMPLE(S) COLLECTED BY (PRINT NAME): Client	**Expected Turnaround Time** **2-4 hr Rush____ 24 hr Rush____ 48 hr Rush____ 3-5 day Rush ____** **5-7 days X 7-14days___**

REQUESTED ANALYSES

Sample Matrix Codes: Drinking Water: **DW;** Groundwater: **GW;** Liquid Waste: **LW;** Oil(s): **O;** Paint Chips: **PC;** Sand: **Sn;** Sludge: **Sl;** Soil/Solid: **S;** Solid Waste: **SW;** Trip Blank: **TB;** Water: **W;** Wipes: **WP;** Wastewater: **WW**

CHEMTEX #	Sample Identification	Collection Date	Collection Time	Sample Matrix	Composite/ Grab	Chemical Preservative	Sample Containers No.	Sample Containers Size (oz.)	Sample Containers Type (Glass/ Plastic)	PCBs	Metals (Cd,Cr,Cu,Pb, ni&Zn)						
P151200 97	DSLL-540845	12/11/15		Paint Chips	Grab	None	1	Ziplock	P	X	X						

Remarks: Samples must be preserved on ice after sample collection and transported in ice chest. ☐ **Regulatory** **X** **Non-Regulatory**

Relinquished By: Mike Pattison	Date/Time: 12-11-15 1324	Received By: Angela DeWitt	Date/Time: 12-11-15 1:25pm
Relinquished By:	Date/Time:	Received By:	Date/Time:

Facilities also available at: 5544 Leopard St., Corpus Christi, TX 78408; (361)299-9900 cc@chemtexas.com and 138 S. Cities Service Hwy., Sulphur, LA 70663 (337) 626-2121 lc@chemtexas.com

CHEMTEX
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401 N. 11th Street, La Porte, Texas 77571 (281) 867-9900 FAX (281) 867-1155

INVOICE

DATE	INVOICE #
12/30/2015	155149

Bill To:

Beaumont Reserve Fleet
c/o Ms. Sharon Duhon/Accts Payable
2600 Amoco
Beaumont, TX 77705

Mail Payment To:

CHEMTEX
P. O. Box 3922
Port Arthur, TX 77643

P.O. NO.	Terms	Due Date	Today's Date	CHEMTEX DATA NO:
	Net 30 Days	1/29/2016	12/30/2015	P15120093-96

Quantity	Description	Rate	Amount
	Sample IDs: FB-54 Sample #1 to #4		
	Received 12/11/15 from Mr. Mike Pattison & Analyzed for:		
4	Heavy Metals (Cd,Cr,Cu.Ni,Pb,Zn)	250.00	1,000.00
4	PCBs	250.00	1,000.00
	(5 - 7 days)		

Thank you for your business. Please remit payment to the above address.

Total $2,000.00

Finance Charge of 1 1/2% per month if full amount is not received within 30 days of invoice date. Client agrees to pay attorneys fees if legal collection is necessary.
"We Provide Best Quality Service At A Very Reasonable Price"

APPENDIX C

Certifications of Report Preparer

NAME: **Landon Applegate, AFNI - DP Chief Engineer**

EDUCTION: United States Merchant Marine Academy
Kings Point, New York

QUALIFICATIONS: USCG Chief Engineer Unlimited
Lieutenant – United States Navy Reserve
Marine Engineering, Bachelor of Science
US Security Clearance – Secret
Vessel Security Officer

PRINCIPAL COURSES Kongsberg – DP Maintenance
Applied Marine Electrical Systems Course – US Navy
Basic and Advanced HVAC
CAT 3500 Operation and Maintenance
GE MV7000/3000 VFD Operation and Maintenance
MAN B&W 2-Stroke Theoretical and Practical Course
IADC Well Control – Drilling/Completion/Workover
Ship Security Training – US Navy

MEMBERSHIPS: Associate Fellow, Nautical Institute
Marine Technology Society
SNAME – Society of Naval Architects and Marine Engineers
ASNE – American Society of Naval Engineers

PRESENT POSITION: Marine Engineer, Consultant - DP & Marine Assurance Services

EMPLOYMENT HISTORY:

2015 to Present	London Offshore Consultants Inc. Consultant Marine Assurance Services
2011 to 2014	Noble Drilling Chief Engineer
2007 to 2011	Seacor Marine Engineer

PROFESSIONAL EXPERIENCE

2015 to Present: London Offshore Consultants, Inc.

Chief Engineer Unlimited with a great depth of experience in Offshore operations including Anchor Handling and Drillships.

Dynamic Positioning – Writing DP Annual Trials as well as conducting both DP Annual Trials and FMEA Proving Trials on various offshore vessels.

CMID – Conducted Common Marine Inspection Document inspections onboard offshore construction vessels.

Suitability Surveys – Conducted numerous Suitability Surveys on Offshore Supply Vessels, Offshore Construction Vessels, Cable Laying Vessels, Inland Tugs and Barges.

Mission Critical Equipment Surveys – Conducted on various platforms including Vessel Cranes, ROV's, Cable Laying equipment, and Towing equipment.

Marine Warranty Surveys – Performed numerous inspections and issuance of Loadout / Sailaway CoA's for loadouts on platforms ranging from offshore construction vessels to ocean going tug and barge operations.

On/Off-Hire Surveys – Conducted on various Barges and Offshore Construction/Supply Vessels.

2011-2014: Noble Drilling:

Held positions from 2nd Assistant Engineer to Chief Engineer onboard Drillships in operations worldwide.

Management of engineering personnel, maintenance, and budget during dry docking periods, drilling operations, and vessel transits.

Completed multiple major shipyard periods including Chief Engineer during complete re-powering of vessels. Extensive work with Caterpillar and MAN B&W engines and control systems.

In depth experience with numerous regulatory bodies regarding regulations concerning USCG, IMO-MARPOL, Class Societies, and Arctic Drilling EPA NPDES Permits.

2007-2011: Seacor Marine:

Engineer on DP Anchor Handling/Towing/Supply Vessels.

Performed various duties as Assistant Engineer from Bulk Cargo Transfer, Liquid Cargo Transfer, Stability calculations, Anchor Handling operations, and Towing worldwide. Completed numerous rig moves as well as various shipyard repair/conversion periods.

Military Experience

2007 to Present: Lieutenant, United States Navy

Completed tasking worldwide onboard vessels, forward deployed maintenance stations, command postings and dry docking shipyards while serving as a Strategic Sealift Officer:

- COMSEALOGPAC – MSC Small Arms Training / Assigned to USNS Mercy - March 2009
- GMATS/USMMA – Applied Marine Electrical Systems Course (80 hour) - July 2009
- MARAD RRF ROS – Assigned to M/V Cape Douglas, Charleston, SC - April/May 2010
- MARAD RRF ROS – Assigned to M/V Cape Orlando, San Francisco, CA - March 2011
- MSCEU – Marine Transportation Specialist (Loadout Supervisor) – Naples, Italy September 2012
- MSCFE – Marine Engineer Advisor - SSU (Ship Support Unit) – Singapore - March 2013
- MARAD RRF ROS – Assigned to SS Gem State, Alameda, CA - July 2014
- NAVSEA FDRMC Rota – Operational Support Engineer – Destroyer Squadron - Feb/March 2015
- PHNSY & IMF – Safety of Ship Officer – Submarine Dry-dockings - Sep/Oct 2015